CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION

INVESTING PUBLIC FUNDS: FUNDAMENTALS OF MANAGING YOUR PORTFOLIO

November 20-21, 2008
Hilton Pasadena
Pasadena, California

AGENDA

THURSDAY, NOVEMBER 20

8:00 AM **Registration/Distribution of Seminar Materials/Breakfast**

8:30 AM **Seminar Welcome and Opening Remarks**

John Decker, Executive Director,
California Debt and Investment Advisory Commission (CDIAC)

8:45 AM **Public Officials' Responsibilities When Investing Public Funds**
This session reviews oversight responsibilities, legal and fiduciary obligations, and ethical considerations of local officials who are responsible for public fund investment. The session discusses "the prudent person rule," personal liability of public officials, and the legal role of investment oversight committees under state law. Speakers cover developing an investment policy, measuring risk, developing performance measures and objectives, and issuing periodic investment reports. Speaker discuss CDIAC's *2008 Local Agency Investment Guidelines.*

Victor Erganian, Treasurer, City of Pasadena
Mark Saladino, Treasurer and Tax Collector, Los Angeles County

10:00 AM **Break**

10:15 AM **Investment Concept Fundamentals**
This session defines terms and illustrates concepts related to public fund investing, including:

- Permitted investment instruments;
- Methods for evaluating the risks and rewards of various investment instruments, and guidelines for selecting the most appropriate investment options; and
- Portfolio structuring, including duration measurement and rebalancing.

Ned Connolly, Senior Vice President, Chandler Asset Management

11:30 AM **Luncheon**

12:30 PM **Roles and Responsibilities of Investment Advisors and Broker/Dealers**

This session describes how local governments effectively use a broker/dealer and an investment advisor. Speakers discuss how to negotiate with brokers/dealers and set their compensation. They illustrate how to use and manage broker/dealer services. Speakers also highlight the roles and responsibilities of an investment advisor, the services they provide, selection criteria, and fees and costs associated with their use.

Deborah Higgins, President, Higgins Capital Management, Inc.
David Witthohn, Director, MBIA Asset Management

1:30 PM **Cash Flow Analysis in Portfolio Management and Investing Idle Cash**

This session provides guidelines for analyzing cash flow, forecasting cash needs, and matching investment maturities to cash needs for an investment program. Speakers discuss how cash flow analysis allows investment professionals to determine available cash for investing beyond the end of the current operating cycle, allowing maximized returns while providing sufficient safety and liquidity.

Richard Larsen, Treasurer and Tax Collector, San Bernardino County
Annette Kerber, Assistant Treasurer and Tax Collector, San Bernardino County

2:30 PM **Break**

2:45 PM **The Day-to-Day Management of Public Funds and Investment Reports**

Speaker discuss the daily procedures and strategies for managing a portfolio, including securities clearance and market monitoring.

Lisa Marie Harris, Deputy Treasurer, San Diego County
Hank Stern, Treasurer, City of Anaheim

3:30 PM **Benchmarking for Performance**

This session focuses on benchmarking as an investment strategy and oversight tool. The speaker addresses the purpose, use, and development of benchmarks benefits of benchmarking, and the evaluation of an investment portfolio's performance using benchmarks.

Deanne Woodring, Managing Director, Davidson Fixed Income Management Inc.

4:30 PM **Adjournment**

FRIDAY, NOVEMBER 21

8:00 AM **Check-in/Breakfast**

8:30 AM **Public Fund Investment Case Study**

Participants are provided an opportunity to evaluate a city's investment policy and portfolio by applying tools and approaches discussed throughout the seminar. Attendees work in groups to analyze the case study and provide feedback to questions.

Facilitator: ***Nancy Jones, Managing Director, Public Financial Management, Inc.***

10:15 AM **Break**

10:30 AM **Case Study Continues**

11:30 AM **Closing Remarks**